

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

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★★★★ \$4.00

DJIA 24345.75 ▼1175.21 4.6% NASDAQ 6967.53 ▼3.8% STOXX 600 382.00 ▼1.6% 10-YR. TREAS. ▲16/32, yield 2.794% OIL \$64.15 ▼\$1.30 GOLD \$1,333.00 ▼\$0.70 EURO \$1.2368 YEN 109.12

What's News

Business & Finance

The Dow posted a record point decline, and stock indexes in the U.S., Europe and Asia gave up their gains for the year. The blue chips ended down 1,175.21 points, or 4.6%, at 24,345.75. **A1**

◆ **Volatility roared back** into the stock market Monday, with the VIX index of price swings posting a record one-day increase. **B1**

◆ **Broadcom made** a sweetened bid for Qualcomm that valued the chip firm at \$121 billion, but investors were wary it can seal a deal. **B1**

◆ **Lululemon said** its CEO resigned and that he had fallen short of the company's standard of conduct. **B3**

◆ **Samsung's de facto head** was freed from prison after a South Korean court cut his sentence for corruption. **B1**

◆ **Banks are shutting** branches at a record pace as they leave less profitable areas and teller use declines. **B1**

◆ **Sunday's Super Bowl** was the least-watched since 2009, with viewership falling 7.1% from last year. **B2**

◆ **Wells Fargo shares** slid 9.2% following Friday's Fed enforcement action that limits the bank's growth. **B10**

◆ **Wynn set up** a firm to handle a \$75 million payment to a woman who accused him of forcing her to have sex. **B6**

◆ **Kroger is selling** its convenience-store business to privately held U.K.-based EG for \$2.15 billion. **B3**

◆ **Lawyers for Uber** and Alphabet's Waymo faced off as a legal battle over driverless-car technology began. **B4**

World-Wide

◆ **A House panel voted** to release a Democratic memo that defends the federal probe into a Trump campaign associate, giving the White House five days to allow or reject its disclosure. **A1**

◆ **Trump again insisted** on funding for his promised border wall, as senators proposed an immigration bill without those funds. **A2**

◆ **The president attacked** Democratic leaders as unpatriotic in a speech in Ohio. **A4**

◆ **Syrian forces struck** northwest Idlib province, the last opposition stronghold. The assault included a chemical attack, activists said. **A8**

◆ **The U.S. and Russia said** they met treaty obligations to cut the number of strategic nuclear warheads. **A8**

◆ **The Supreme Court refused** to block a decision nullifying Pennsylvania's congressional map. **A3**

◆ **A judge in Michigan sentenced** Nassar to up to 125 years in prison on three additional sex-abuse charges. **A3**

◆ **The pope received** Turkey's Erdogan for a meeting that highlighted their objection to recognition of Jerusalem as Israel's capital. **A11**

◆ **The Paris terror suspect** appeared in a Belgian court but refused to answer questions about his role. **A11**

◆ **A signaling system** on the track where a deadly Amtrak crash occurred Sunday was being upgraded. **A3**

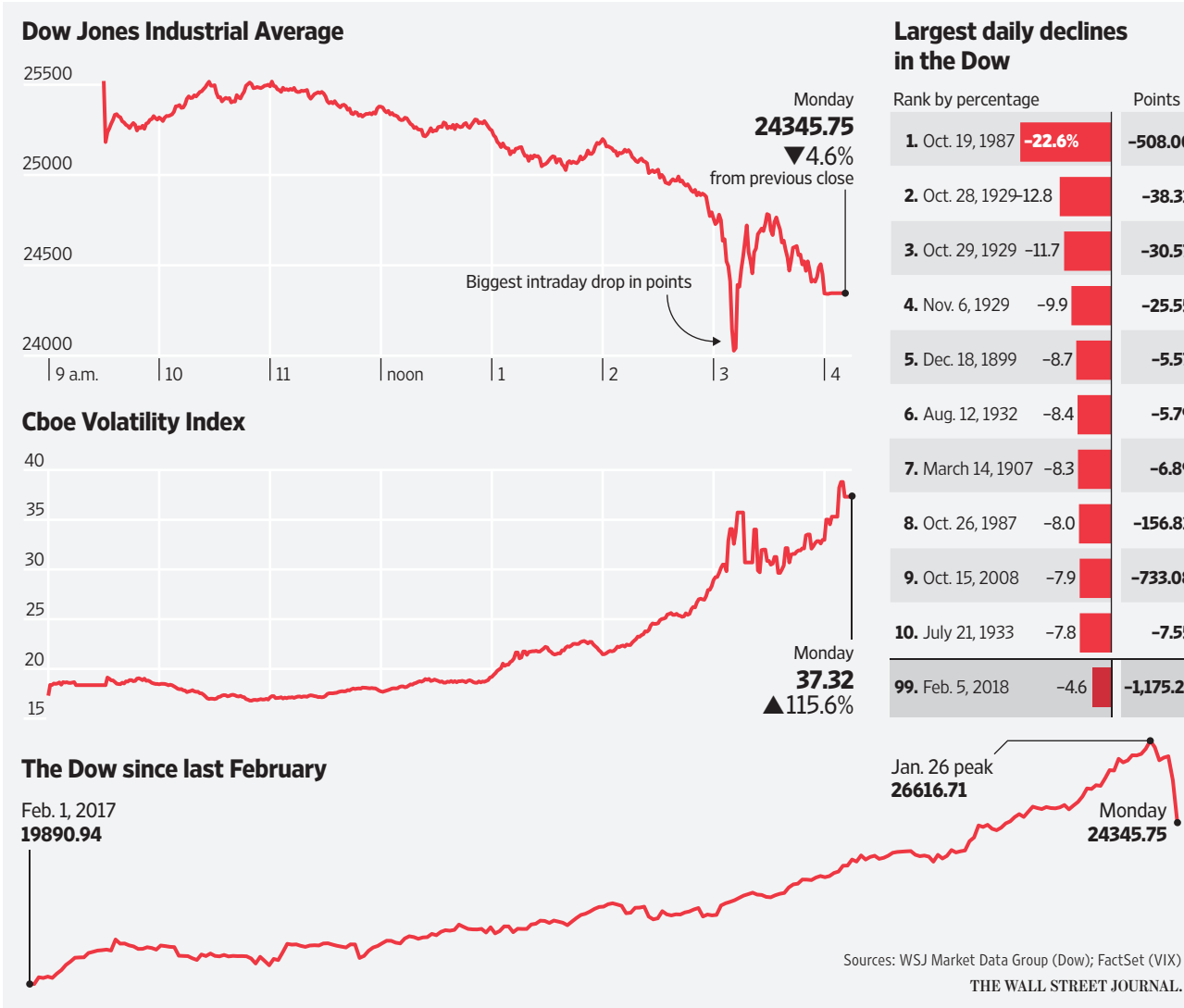
◆ **The Earth's ozone shield** may be thinning over populated areas, a study said. **A9**

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Stock Plunge Erases 2018 Gains



Largest daily declines in the Dow

Rank by percentage	Points
1. Oct. 19, 1987 -22.6%	-508.00
2. Oct. 28, 1929-12.8	-38.33
3. Oct. 29, 1929 -11.7	-30.57
4. Nov. 6, 1929 -9.9	-25.55
5. Dec. 18, 1899 -8.7	-5.57
6. Aug. 12, 1932 -8.4	-5.79
7. March 14, 1907 -8.3	-6.89
8. Oct. 26, 1987 -8.0	-156.83
9. Oct. 15, 2008 -7.9	-733.08
10. July 21, 1933 -7.8	-7.55
99. Feb. 5, 2018 -4.6	-1,175.21

Dow industrials fall over 1,100 in biggest point drop ever; overseas indexes sink

By AKANE OTANI

The long-running global stock rally turned into a rout Monday as the Dow Jones Industrial Average posted its largest-ever, single-day point decline and major indexes in the U.S., Europe and Asia gave up their gains for the year.

Traders described a growing sense of anxiety throughout the day, and the Dow briefly dropped nearly 1,600 points. Although it quickly pared losses, the blue-chip index closed down 1,175.21 points, or 4.6%, to 24,345.75, its largest one-day percentage decline since August 2011.

"This is the first time in a while I'd say it feels like borderline panic-type selling," said Tim Anderson, managing director at brokerage TJM Investments, as yelling broke out on the floor of the New York Stock Exchange when the stock declines accelerated.

Combined with steep falls Friday, the index has lost 7% in just two days, marking a break in the tranquility that has characterized financial markets for much of the past two years. The selloff also signaled a potential shift in sentiment, and investors sought safety in U.S. Treasuries, pushing yields lower.

The heavy selling persisted early Tuesday in Asia. Japan's Nikkei Stock Average was down about 1,200 points, or 5.3%, at the midday break. (See article on B11.)

The downward move in U.S. stocks was especially confounding given recent strength in the economy. While traders have grown more worried in recent days about rising inflation that could cause the Federal Reserve to raise rates more vigorously, there wasn't an obvious catalyst for the market's jarring move.

Please see PLUNGE page A6

Latest Selloff Can End Two Ways

By JAMES MACKINTOSH

Markets on Edge

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- ◆ Jason Zweig: Stocks didn't get tested—you did..... B1
- ◆ Selloff upends low-volatility bets..... B1

Good news, it seems, is bad news again.

Payroll figures that showed more jobs and more pay for Americans sparked a market decline Friday that only got worse on Monday.

Over the past two trading days, the S&P 500 fell by 6.1%—the steepest such drop since August 2015, but something that has happened on av-

erage once every two years since 1964. It still came as a shock after such a long period of subdued volatility.

We shouldn't put too much weight on any given day's price moves, but the recent market plunge feeds two narratives, one of which could be

really bad news.

Both explanations involve higher bond yields hurting stocks. But one has a brief correction followed by a happy ending for shareholders, if not for bond investors, while the other is a tale of woe for both. Either way, a lot depends on

whether President Donald Trump's tax cuts will be wasted in inflation or boost the real economy.

If the stock-market drop of the past two days was a knee-jerk reaction to tighter credit, then the bull market can resume so long as the economy and corporate profits remain strong. If, however, the lesson is that, after years of calm, inflation is about to get wild, the conclusion is darker.

Precisely what we should Please see STOCKS page A6

Seoul Court Frees Samsung Heir



EARLY RELEASE: Lee Jae-yong, vice chairman and de facto head of Samsung Electronics, left a detention center in South Korea on Monday, after an appeals court suspended his jail sentence. **B1**

Victoria's Secret Gambles the Mall Will Survive

CEO also bets smartphones will fade; meanwhile, his sales are down

By KHADEEJA SAFDAR

COLUMBUS, Ohio—Leslie Wexner strode into the Victoria's Secret store in his favorite mall here, a man in his element. Music pulsed, and around him were the fruits of a two-year revamp.

Sports bras had crowded out swimsuits. Comfy pajamas jockeyed with lacy lingerie for prime display space. A wall-size TV screen displayed strutting supermodels, a signal to the investors gathered there that the chain hadn't lost its taste for sexy theatrics.

Then the questions started: What about declining mall traffic? Where do you see online sales? Why aren't you investing more in digital?

"I get that," retorted the chief executive, 80 years old. "Now explain to me Sephora and Apple," two companies that have opened successful physical stores recently.

Mr. Wexner, an icon of 20th-century retailing, is the last man standing from a generation of merchants who brought fashion to the masses through hundreds of chain stores in thousands of malls. Most retailers say the internet has forever changed shopping. Mr. Wexner doesn't.

The internet won't kill stores, the Columbus-based billionaire says. Moreover, the fascination with smartphones will fade. "We're in the process of bouncing back from that," he says in an interview. Please see RETAIL page A12

Panel Backs the Release of Democrats' Russia Memo

By BYRON TAU AND REBECCA BALLHAUS

WASHINGTON—The House Intelligence Committee on Monday voted unanimously to release a classified Democratic memo that defends the federal investigation into a Trump campaign associate, a move that gives the White House five days to allow or reject its disclosure.

Democrats wrote the 10-page memo as a response to a Republican document released last week that details how the federal government got a warrant to conduct surveillance on

Carter Page, a foreign-policy adviser to the Trump campaign during the 2016 election.

That GOP document suggested possible partisan motives by investigators in targeting Mr. Page, who left the campaign a month before prosecutors applied for the warrant in October 2016.

Democrats said the GOP memo was an attempt to discredit a wide-ranging Justice Department probe into possible collusion between the Trump campaign and Russia during the 2016 presidential campaign, an investigation

that is also looking into potential obstruction of justice by the president and his aides.

President Donald Trump hailed last week's GOP memo as "totally" vindicating him in the Russia investigation. He has denied any collusion or obstruction.

The White House approved the release of the GOP document on Friday, and will now review the Democrats' document and decide whether it should be released, as well as identify any redactions.

"We will consider it on the Please see MEMO page A4

INSIDE



THE CHASE FOR A PERMANENT FLU VACCINE

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NFL'S BEST, WORST AT SUPER BOWL

SPORTS, A16



INFLATION SKYROCKETS IN VENEZUELA

WORLD NEWS, A9

This Is Just What Bagpipe Bands Need: More Bagpipes

* * *

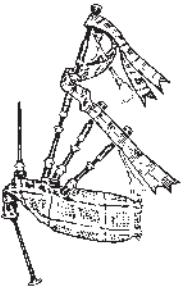
Championships' lack of size limit sparks noisy debate

By MICHAEL M. PHILLIPS

Is there such a thing as too many bagpipes?

There's a nagging suspicion, even among bagpipers, that the answer might be yes.

Top-grade bagpipe bands used to compete at the World Pipe Band Championships in Glasgow, Scotland, with 10 or



12 pipers. Now bands routinely march into the competition circle with 24 or even 27 pipers piping, and many pipers are worried the ballooning of the bands has gone too far.

"It's a raging topic in our little pipe-band world," says Andrew Berthoff, editor of pipes/drums magazine.

Please see PIPES page A12